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RUCPDOC/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RHMFISS/DEPT OF ENERGY WASHINGTON DC PRIORITY
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY
RHEHNSC/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY

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STATE FOR EUR/NB, EUR/NCE, EB/ESC STATE PLEASE PASS TO FEDERAL TRADE COMMISSION DOE FOR HARBERT DOC FOR 4231/IEP/EUR/BOHIGIAN NSC FOR GRAHAM, MCKIBBEN AND COEN TREASURY FOR LOWERY, LEE AND COX

E.O. 12958: DECL: 10/11/2016 TAGS: <u>ENRG EPET PREL LH RS</u>

SUBJECT: LARGE FIRE BLAZES AT LITHUANIA'S OIL REFINERY

REF: VILNIUS 891 AND PREVIOUS

Classified By: POL/ECON Section Chief Rebecca Dunham for reasons 1.4 (b) and (d)

- 11. (U) Local press reported on October 12 that a fire had broken out at Lithuania's Mazeikiu Nafta oil refinery (MN) at approximately 1430 local time. The report said that the fire was "very big" and that it could be seen from several kilometers away. The report also said, however, that only one unit had caught fire and that other parts of the refinery continued to operate.
- 12. (C) Saulius Pocevicius, MN's Security Manager, told us at 1645 local that:
  - the fire has been put out,
  - there were no deaths or serious injuries, and
  - the fire was "big."

He also said that it appeared that the fire was an accident, not the result of sabotage. Pocevicius added that MN's General Director, Nelson English, was cutting short a business trip abroad to return to Lithuania on October 13.

- 13. (C) Saulius Specius, adviser to the PM on economic matters and one of the GOL's negotiators on the sale of MN to Poland's PKN Orlen, told us that the timing of the fire -- so close to the conclusion of PKN's deal to buy MN -- was "rather suspicious." He did not have any hard evidence at this point to suggest whether the fire was the result of accident or sabotage.
- 14. (C) COMMENT: This will be a major media story over the next several days, and there will be intense speculation about whether this fire was accidental or the result of sabotage, presumably by Russian oil interests trying to thwart the PKN-MN deal. Right now, it is too early to say. We will follow events closely. KELLY